

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (08-02)**

Subject

Initiative petition from Alphonso Mayfield. (Received January 17, 2008)

Date

February 6, 2008

Description

This proposal would enact the "The Quality Home Care Act."

The proposal is to be voted on in November, 2008.

Public comments and other input

The State Auditor's Office requested input from the **Attorney General's Office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's Office/Office of Administration**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Office of State Courts Administrator**, the **Department of Transportation**, the **Missouri Senate**, the **Secretary of State's Office**, the **Office of the State Public Defender**, the **State Treasurer's Office**, **Boone County**, **Callaway County**, **Clay County**, **Greene County**, **Jackson County**, **St. Charles County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Kansas City**, the **City of Kirksville**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal School District #60**, **Rockwood R-VI School District**, **Linn State Technical College**, **Metropolitan Community College**, the **University of Missouri**, **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's Office** assumed that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Economic Development** indicated the proposal should have no administrative or fiscal impact on their department.

The **Department of Elementary and Secondary Education** indicated this proposal does not impact their department or local schools.

Officials from the **Department of Higher Education** indicated that this initiative would have no direct, foreseeable impact on their department.

The **Department of Health and Senior Services** assumes the proposed initiative petition would be voted on by Missouri citizens during the Fall of 2008. If passed, the department assumes the Council would not be appointed until February or March of 2009 and Council activities would not begin until the Spring of 2009. Therefore, FY 2009 costs have been adjusted to reflect only three months worth of council activities.

The majority of the fiscal impact for the Missouri Quality Homecare Council is contained in the components in sections 3 and 4 of this proposal. DHSS assumes that the Council would solicit contracts for many of the duties assigned to the Council under Section 4.

Section 3.1

The Council would be assigned to DHSS. Oversight is limited to budgeting and reporting requirements only.

Section 3.2

The Council will be composed of 11 members. Though the proposal does not specify how often the Council will meet, for the purposes of this fiscal estimate, DHSS assumes the Council will meet six times per year. At a cost of \$160 per member per meeting (standard allowance for board/commission members), the estimated cost of council meetings would total \$10,560 annually. (11 members X \$160 X 6 meetings per year = \$10,560)

The costs are estimated to be \$10,560.

Section 4.1

The Council is to assess the size and stability of the homecare workforce in Missouri. DHSS assumes this will require a contracted study of the workforce and the issues surrounding the homecare industry. DHSS cannot determine the cost of this component because the petition suggests the Council will determine the scope of the evaluation.

The costs are estimated to be greater than \$100,000.

Section 4.2

The Council is tasked with recruiting eligible individuals to serve as personal care attendants. DHSS assumes this will include job fairs, coordination with high schools and colleges, and public service announcements to recruit individuals. Because the cost of this component will be greatly influenced by the type and the amount of recruitment initiated by the Council, and because control rests solely with the Council, DHSS cannot estimate the fiscal impact of this section.

The costs for this component is unknown.

Section 4.3

The Council will provide voluntary training for personal care attendants (PCAs). DHSS assumes the training will be provided via a contracted training agency. Based on recent training arranged for staff, DHSS estimates the cost per person would be approximately \$450. In FY 2007, approximately 10,000 consumers received care at some point by a PCA and the demand for PCA services continues to grow. Due to the high turnover rate and the fact that many consumers have multiple PCAs, the exact number of PCAs who will seek training is unknown. For fiscal note purposes, the Division of Senior and Disability Services (DSDS) will assume up to 10,000 PCAs would seek training. It is unclear if the PCAs will be required to pay for all or part of their training. If the Council opted to contract training services with a contracted training agency, costs would be estimated at \$0 to \$4,500,000 (\$450 x 10,000 PCAs).

The costs are estimated at \$0 to \$4,500,000

Section 4.4

The Council will recommend minimum qualifications for PCAs to the department. DHSS assumes there would be minimal fiscal impact for this component.

Section 4.5

The Council will establish a statewide list of eligible, available personal care attendants. DHSS assumes the list will be compiled via a computer database system built and maintained by an information technology contractor hired by the Council. Because the Council will have control over the design, structure, and use of the database, the components needed for the database remain unknown. The Office of Administration, Information Technology Services Division estimate the cost of this database to be greater than \$100,000.

The costs are estimated to be greater than \$100,000.

Section 4.6

The Council is to provide referrals of eligible and available PCAs to vendors and consumers. The Council would determine the exact nature of the referral system. Therefore, DHSS cannot estimate the cost of the referral system; however because of the complexity and the demand for PCA services, DHSS assumes it will be greater than \$100,000.

The costs are estimated to be greater than \$100,000.

Section 4.7

The section requires reporting of suspected abuse and neglect of consumers. DHSS estimates there would be no fiscal impact for this component, as all persons in caregiving roles for eligible adults are already mandated reporters.

The costs are estimated to be \$0.

Section 4.8

The Council is to make recommendations regarding wages or rates to be paid to PCAs. DHSS assumes that any proposed rate increase would be submitted to the Governor and General Assembly. DHSS assumes the Council will make recommendations to increase the wages of PCAs, which would result in an increased cost to the state to reimburse for consumer directed services.

The costs are estimated to be greater than \$100,000.

Section 4.9 and 4.10

DHSS assumes there would be no fiscal impact for these sections.

The costs are estimated to be \$0.

Section 4.11

This section enables the Council to independently perform functions necessary for the operations of the Council. DHSS is unable to estimate the cost of operations of the Council until the structure, organization, and operating model of the Council is determined. Therefore the cost estimate, which would be subject to appropriation, is assumed to be greater than \$100,000. The Council will require an unknown amount of additional staff.

The costs are estimated to be greater than \$100,000.

Division of Regulations and Licensure (DRL)

Section 4.5

This part of the initiative petition requires the Missouri Quality Homecare Council to maintain a statewide list of eligible available personal care attendants. The Council must ensure that all those on the list are registered with the Family Care Safety Registry (FCSR) and are not listed on any of the background check lists in the FCSR (exceptions allowed for those with a good cause waiver).

The Family Care Safety Registry (FCSR) currently has 27,046 personal care attendants registered in the database. The department has no way of determining how many, if any, additional personal care attendants would be required to register with the FCSR as a result of this proposal.

The Family Care Safety Registry estimates that one Health Program Representative (HPR) II and .5 Office Support Assistant (Keyboarding) (OSA) are required to process 12,000 registrations each year. Depending upon how many additional personal care attendants enrolled with the FCSR as a result of this proposal, the Division of Regulation and Licensure may need additional staff to meet the increased workload.

The costs are estimated at \$0 to Unknown.

The **Department of Insurance, Financial Institutions and Professional Registration** indicated this proposal will have no cost to the department.

The **Department of Mental Health** indicated the proposal will have no impact on their department.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

The **Department of Corrections** indicated no impact on their agency.

Officials from the **Department of Labor and Industrial Relations** indicated this petition has no fiscal impact on their department.

Officials from the **Department of Revenue** indicated this petition will have no impact on their department.

The **Department of Public Safety** indicated they are unable to determine the impact of this proposal. They stated that they do not feel there would be a direct cost to their department, however, if this should increase medical costs and thus create a medical insurance premium change, they would defer to the Missouri Consolidated Health Care Plan for a response.

The **Department of Social Services** indicated passage of the initiative petition will not have a fiscal impact on the MO HealthNet Division. Services and funding for consumer-directed services are provided by the Department of Health and Senior Services (DHSS). The Department assumes any increases in services or rates would be included in the DHSS budget and funding would be appropriated to DHSS. The State Highway Patrol, Department of Social Services-Children's Division, Department of Mental Health, DHSS and vendors must cooperate to assess on an ongoing basis existing mechanisms for preventing abuse and neglect of consumers in the home care setting and recommend improvements to those agencies and the General Assembly. The Children's Division indicated it can do this with existing resources and does not see a significant fiscal impact from this requirement.

Officials from the **Governor's Office/Office of Administration** indicated passage of this proposal will not result in additional costs or savings to their agencies.

Officials from the **Missouri House of Representatives** indicated they anticipate no fiscal impact from this petition.

The **Department of Conservation** indicated no fiscal impact would be expected to their agency as a result of this proposal.

Officials from the **Office of State Courts Administrator** indicated this initiative petition should not have a fiscal impact on the judiciary.

The **Missouri Senate** indicated there would be no fiscal impact as it relates to their agency.

Officials from the **Secretary of State's Office** indicated their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.6 million historically appropriated in even numbered fiscal years and \$100,000 appropriated in odd numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2007, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$1.2 million to publish (an average of \$193,000 per issue). Therefore, the Secretary of State's office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements.

Officials from the **Office of the State Public Defender** indicated this proposal will have no significant impact on their office.

Officials from the **State Treasurer's Office** indicated this proposal has no fiscal impact on their office.

Officials from **Jackson County** indicated that no fiscal impact on their entity is apparent.

Officials from the **City of West Plains** indicated that this measure does not appear to have a significant direct fiscal impact on their city.

The **Rockwood R-VI School District** forwarded the petition to the **Special School District** for their review and response. The Special School District indicated this petition would not have any fiscal impact on their organization.

Officials from **Linn State Technical College** indicated that there appears to be no fiscal impact for their organization as a result of this initiative petition.

Officials from **Metropolitan Community College** indicated this proposal would have no direct fiscal impact on their organization.

Officials from the **University of Missouri** indicated this petition would have no identifiable fiscal impact on their organization.

Mark R. Reading and Ryan Burson provided fiscal impact information related to the proposal which is summarized as follows:

It is estimated that the Quality Home Care Council will cost state government \$265,284 annually, with no cost to local government.

The State Auditor's Office did not receive a response from the **Department of Agriculture**, the **Department of Transportation**, **Boone County**, **Callaway County**, **Clay County**, **Greene County**, **St. Charles County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Kansas City**, the **City of Kirksville**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, **Cape Girardeau 63 School District**, **Hannibal School District #60**, **Rockwood R-VI School District**, **St. Louis Community College**.

Fiscal Note Summary

The exact cost of this proposal to state governmental entities is unknown, but is estimated to exceed \$510,560 annually. Additional costs for training are possible. Matching federal funds, if available, could reduce state costs. It is estimated there would be no costs or savings to local governmental entities.